United Nations A/65/338

General Assembly

Distr.: General
1 September 2010

Original: English

Sixty-fifth session
Items 131 and 137 of the provisional agenda*

Programme budget for the biennium 2010-2011

Joint Inspection Unit

Review of travel arrangements within the United Nations system

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Review of travel arrangements within the United Nations system" (JIU/REP/2010/2).

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REVIEW OF TRAVEL ARRANGEMENTS WITHIN THE UNITED NATIONS SYSTEM

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Joint Inspection Unit

Geneva 2010

United Nations

EXECUTIVE SUMMARY

Review of travel arrangements within the United Nations system
JIU/REP/2010/2

Travel represents one of the largest parts of United Nations system organizations' budgets after staff costs. A conservative estimate of airline ticket expenditures of international organizations in 2008 amounted to US$ 1.1 billion.

While the Chief Executives Board for Coordination (CEB) has established a Working Group on Standards of Accommodation for Air Travel in the United Nations system, the role of the Inter-Agency Travel Network (IATN) as an advisory body on travel issues needs more prominence. The adoption by the latter of their own statutes stating their goals, objectives and procedures would facilitate the sharing of best practice, ideas and resources that would result in improved travel management system-wide.

The international organizations in Geneva took appropriate steps in 2001 to combine their travel volumes and negotiate with airlines for preferential airfares. In view of the fact that these organizations achieved savings of around US$18 million in 2008, they are encouraged to use these savings to create two positions to improve service quality and efficiency.

While there are many models/options for procuring travel services, such as creating an internal travel agency, purchasing directly from airlines, using a travel agent or purchasing online, the chosen method should correspond to an organization's needs and requirements.

The role of the travel unit within an organization should primarily be that of a facilitator and provider of customer services. However, these units have also been involved with the implementation of enterprise resource planning (ERP) travel modules and the organizational budget planning.

The implementation of ERP systems will alter the current travel arrangements workflows and effect changes in policies and procedures. The CEB commitment to achieving climate neutrality will lead to the adoption of sustainable travel strategies that will modify existing travel patterns. These improvements will necessitate the updating of existing travel manuals and policies. For efficient travel management, it is essential that all staff members are informed of their rights and responsibilities.

The recent financial crisis has resulted in some organizations making reductions in their respective travel budgets. Other measures to reduce costs include adherence to advance travel planning, expanding lump sum options, entering into joint airline negotiations, offering staff incentives and streamlining travel claims processing.

The recommendation stated below is for consideration by the legislative bodies.

Recommendation 9

The governing bodies of United Nations system organizations should request the executive heads to provide reports on travel expenditures by reporting period and steps taken to rationalize travel costs.

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ABBREVIATIONS

AHA	Airport Handling Agent
ARC	Airline Reporting Corporation
BSP	Billing and Settlement Plan
CCOM	Committee for Common Operations Management
CEB	United Nations System Chief Executives Board for Coordination
CPAG	Common Procurement Activities Group
CTBTO	Comprehensive Test Ban Treaty Organization
CWT	Carlson Wagon-Lit Travel
DSA	daily subsistence allowances
DTIE	Division of Technology, Industry and Economics
ECA	estimated cost avoidance
EMG	Environment Management Group
ERP	enterprise resources planning
ETA	electronic travel authorization process
FAO	Food and Agriculture Organization of the United Nations
FB	Finance and Budget
FFM	frequent flyer miles
GDS	Global Distribution System
GHG	greenhouse gas
GSA	General Sales Agent
HLCM	High Level Committee on Management of the CEB
HR	Human Resources
IAEA	International Atomic Energy Agency
IATA	International Air Transport Association
IATN	Inter-Agency Travel Network
IBE	International Bureau of Education
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
IMO	International Maritime Organization
INFM	Inter-Agency Network for Facilities Management
IOG	International Organizations of Geneva
IOM	International Organization of Migration
IT	Information Technology
ITC	International Trade Centre
ITU	International Telecommunication Union
JIU	Joint Inspection Unit of the United Nations system
KPI	key performance indicator
OECD	Organization for Economic Cooperation and Development
OHCHR	Office of the High Commissioner for Human Rights
OPPBA	Office of Programme Planning, Budget and Accounts
SBT	Self-booking tool
SCA	services clearing account
SUN	Sustainable United Nations
TMC	Travel Management Company
TCP	Travel Claims Portal
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNESCO	United Nations Educational, Scientific and Cultural Organization

UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNLP	United Nations laissez-passer
UNODC	United Nations Office on Drugs and Crime
UNOG	United Nations Office at Geneva
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNWTO	World Tourism Organization of the United Nations
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Trade Organization

I. INTRODUCTION

1. As part of its programme of work for 2009, the Joint Inspection Unit (JIU) conducted a review entitled "Travel arrangements within the United Nations system" from February to November 2009, based on a proposal submitted by the International Atomic Energy Agency (IAEA).

2. The objective of the review is to examine existing travel arrangements and consider best practice among United Nations system organizations with a view to improving services and reducing travel costs. Major changes within the travel industry and advances in information, communications and technology (ICT) have opened new vistas for organizations to manage and modify existing travel policies and procedures.

3. Travel represents one of the largest parts of United Nations system organizations' budgets after staff costs. International organizations purchased approximately US$ 1.1 billion of airline tickets in 2008.[1] This figure is a conservative estimate for while it includes both official and statutory travel, it does not take into consideration tickets purchased for peacekeeping operations or those under the lump sum options available to eligible staff members.

4. The present report is one in a series of JIU reports on travel in the United Nations.[2] While the previous reports considered the budgetary and efficiency aspects of travel in general or within a specific organization, the 2004 report focused on travel entitlements and conditions of travel. It examined and evaluated policies and practices of different organizations, highlighting good practice and identifying possible improvements, with a view to expanding these throughout the system, achieving where possible a certain degree of harmonization and a higher level of efficiency in travel.[3] As the last report is still under consideration and has not yet been formally presented to the United Nations General Assembly, the Inspectors have decided, for the current review, to focus primarily on the procedural aspects of travel. The JIU also issued a note on the United Nations laissez-passer (UNLP) in 2005.[4]

5. The phased introduction of enterprise resource planning (ERP)[5] systems in international organizations will result in paradigm shifts in travel management. While the changes are usually incremental and are implemented in stages, organizations often have to adapt current practices to take advantage of the efficiencies obtained in travel processing.

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[1] According to data provided by 41 IATN members. Accurate data was not easily obtainable as some organizations could not provide volume for system-wide travel, but only that originating from their headquarters. Some organizations could not separate ticket purchase amounts and per diem expenses.

[2] A/8900 of 24 November 1972 (JIU/REP/72/4) "The use of travel funds in the United Nations"; EB 5546 Add.1 (JIU/REP/74/3) "Report on the use of travel funds in the World Health Organization"; CL.66/15 of 9-20 June 1975 (JIU/REP/75/1) "Report on the use of travel funds in the Food and Agricultural Organization"; 100 EX/7 of 20 August 1976 (JIU/REP/76/2) "Report on the use of travel funds in UNESCO"; A/32/272 (JIU/REP/77/3) "Report on first-class travel in the United Nations organizations"; A/37/57 of July 1982 (JIU/REP/82/7) "Organization and methods for official travel"; A/41/121 of 6 October 1986 (JIU/REP/85/13) "Follow-up report on organizations and methods for official travel"; A/50/692 of 31 October 1995 (JIU/REP/95/10) "Travel in the United Nations: issues of efficiency and cost savings" and; A/60/78 of 1 June 2005 (JIU/REP/04/10) "Harmonization of the conditions of travel throughout the United Nations system".

[3] JIU/REP/2004/10, p. 1.

[4] (JIU/NOTE/2005/2) "Review of the Management of the United Nations Laissez-Passer".

[5] ERP (Enterprise Resource Planning) is an industry term for the broad set of activities that helps a business manage the important parts of its business. The information made available through an ERP system provides visibility for key performance indicators (KPIs) required for meeting corporate objectives. ERP software applications can be used to manage product planning, parts purchasing, inventories, interacting with suppliers, providing customer service, and tracking orders. ERP can also include application modules for the finance and human resources aspects of a business. Typically, an ERP system uses or is integrated with a relational database system. The deployment of an ERP system can involve considerable business process analysis, employee retraining, and new work procedures (http://searchsap.techtarget.com/sDefinition/0,,sid21_gci213946,00.html#).

Methodology

6. In accordance with the internal standards and guidelines of JIU and its internal working procedures, the methodology followed in preparing this report included a detailed desk review, questionnaires, interviews and in-depth analysis.

7. The Inspectors, through interviews in person and by tele/videoconferences, sought the views of over 50 travel managers within the United Nations system organizations in various duty stations as well as Inter-Agency Travel Network (IATN) member organizations. A detailed questionnaire was sent to the travel managers in all JIU participating organizations and IATN members. In addition, close collaboration was maintained between the Inspectors and the IATN office bearers at various stages of the project, especially during the design of the questionnaire.

8. The Inspectors were invited to present their preliminary findings, based on the responses received to their questionnaire, at the IATN annual meeting in Washington, DC, hosted by the International Monetary Fund (IMF). After the presentation, a short brainstorming session ensued and was concluded with the distribution of a one-page questionnaire by JIU dealing with travel-related issues where the IATN travel managers responded anonymously and in their individual capacities. The Inspectors were then invited to present this report at the 2010 IATN annual meeting to be hosted by the Commonwealth Secretariat in London.

9. Comments on the draft report from all the United Nations system organizations and those IATN members who responded to the questionnaire were sought and taken into account in finalizing the report.

10. In accordance with article 11.2 of the JIU statute, this report has been finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.

11. To facilitate the handling of the report, the implementation of its recommendations and the monitoring thereof, annex II contains a table indicating whether the report is submitted to the organizations concerned for action or for information. The table identifies those recommendations relevant for each organization, specifying whether they require a decision by the organization's legislative or governing body or can be acted upon by the organization's executive head.

12. The Inspectors wish to express their appreciation to all who assisted them in the preparation of this report, and particularly to those who participated in the interviews and provided responses to the questionnaires and so willingly shared their knowledge and expertise.

II. TRAVEL ARRANGEMENTS – SYSTEM-WIDE COORDINATION

13. The report focuses on the work of the Joint Human Resources (HR)/Finance and Budget (FB) Network Working Group on Standards of Accommodation for Air Travel in the United Nations system;[6] IATN and the International Organizations of Geneva (IOG) Working Groups on Airline Negotiations and Travel Agency and Visa Processing Services.

14. The Chief Executives Board (CEB) convened and chaired the first meeting (held by videoconference) of the above joint HR/FB Network Working Group in October 2008 in order to develop the draft terms of reference, decide on a time frame for the review and nominate a chairperson to lead the working group. The working group would build on the recommendations from the relevant JIU report[7] and the conclusions of the International Civil Service Commission (ICSC).[8] Although a draft TOR was prepared, the absence of a chairperson to lead the Working Group has resulted in the non-observance of the agreed time frame for the submission of a progress report in Spring 2009 and an update to the High-Level Committee on Management (HLCM) in September 2009. Hence, at the 18th Session of the HR network held in June 2009, it was agreed that the United Nations Secretariat in New York would chair the Working Group as of October 2009,[9] which should hopefully expedite proceedings.

A. Inter-Agency Travel Network (IATN)

15. At the suggestion of the Inter-Agency Network for Facilities Management (INFM), and with a view to using the leverage of airline expenditures of all United Nations and related organizations, a group of 10 organizations with large individual travel volumes convened in Geneva in November 2003 to discuss with four large airlines and their alliances the possibility of concluding global airline agreements.

16. As a follow-up, the first meeting of IATN was convened in Beirut in September 2004 with 16 participating organizations, and a Chairman and Vice-Chair were selected for a two-year term. Subsequent meetings of this network have been held on an annual basis. The draft goals and objectives of IATN are stated below:

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[6] The HLCM at its 15th session in March 2008 agreed to form this group with the objective of developing a common recommendation on harmonized standards of air travel in the United Nations system.
[7] JIU/REP/2004/10.
[8] A/52/30.
[9] CEB/2009HLCM/HR/46, p. 16.

Table 1
Draft IATN Goals and Objectives

GOALS	OBJECTIVES	PRIORITIES
▪ Enhance and broaden a global inter-agency coordination and networking approach on policies and procedures that pertain to travel-related matters. ▪ To provide a forum for international organizations to share ideas, resources and best practices in the management of travel.	▪ To identify issues of mutual concern, establish specific objectives and assign responsibilities and timelines. ▪ To identify areas of commonality, which could be location specific. ▪ To support the sharing of information leading to the identification of best practices in the management of travel in international organizations. ▪ To reach an agreement on how we can maintain dialogue on a continuing basis between the annual meetings in order to make practical use of the network, resources and information derived from this forum.	▪ Improvement of strategic and long-range planning. ▪ Measures to improve performance measurement, service quality and customer satisfaction. ▪ Promotion of the "common services" concept for efficiency and improved services.

The Inspectors were informed that the above draft was never formalized. However at the 2009 IATN meeting, the membership agreed to adopt statutes which would state their network's goals, objectives and procedures.

17. The Inspectors noted from the Mission Statement issued after the Beirut meeting that IATN would "discuss policy, its implementation and effects on travel operations and make recommendations to higher management including HLCM." To date, no such recommendations have been issued, even though the members at the 2007 meeting agreed that IATN should serve as an advisory body to senior management on travel issues.

18. One positive outcome has been the development of the IATN wiki pages[10] by IFAD where IATN members have a forum to share issues of common interest, upload travel policy information and post minutes/presentations of the respective IATN annual meetings. These pages also host the UNICEF Hotel Directory (the 2008 Directory was produced in collaboration with IATN). This directory is available on a "read-only" basis to all travellers in the respective IATN member organization intranets.

19. The Inspectors noted that, 52 member organizations were invited to the 2009 IATN meeting.[11] However, the actual attendance was only 27. While some travel managers did not attend for various reasons, many had informed the IATN Chairman that they had not been permitted to participate due to either budgetary reasons or minimal support at the senior management level.

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[10] A collaborative website whose content can be edited by anyone who has access to it.
[11] See annex 1 for the list of members.

20. Senior management may not be familiar with IATN due to its lack of visibility (no website) and knowledge/recognition of its achievements. At the 2009 meeting most IATN travel managers informed the Inspectors that some of the important decisions taken at previous meetings had never been implemented and some participants were not able to constructively contribute to the general discussion as these individuals were not involved in the operational aspects of travel for the organizations they represented. The Inspectors agree that there is room for improvement in the overall structure and functioning of IATN. For example, IATN could not provide the overall travel expenditure of the entire membership. When considering the complexity, expenditures and volume of travel undertaken, and the cost savings/efficiencies that could be realized through the sharing of best practices among member organizations, IATN requires support.

21. The following recommendation will facilitate the dissemination of best practices.

Recommendation 1

The executive heads of United Nations system organizations should support the activities of the Inter-Agency Travel Network through active participation and attendance of their respective travel managers at their annual meetings and encourage the adoption of the IATN statutes stating their goals, objectives and procedures.

B. International Organizations of Geneva (IOG) Working Groups on Airline Negotiations and Travel Agency/Visa Processing Services

22. The Task Force on Common Services in Geneva in November 2001 decided to create the above Working Groups, which nine Geneva-headquartered organizations[12] joined and of which only ILO, ITU and WTO were not party to the initial travel agency and visa services contract in 2002. ITU subsequently joined the latter group when the new travel agency contract entered into force in 2009. The combined volume of air tickets purchased by IOG members in 2008 was CHF 120 million (US$ 113.6 million).[13]

23. All IOG member organizations have benefited from negotiated airfares. The combined savings, commonly referred to as estimated cost avoidance (ECA)[14] in 2008 were CHF 19.24 million (US$ 18.23 million).[15] The Inspectors regret that ECA cannot be shown from IOG inception (2002); as it was not provided to them even though such statistics were made available at the time to IOG.

24. Although both Working Groups functioned, from inception, in an informal manner, they are presently governed by the statutes of the Common Procurement Activities Group (CPAG) of the United Nations Office in Geneva and Member Organizations.[16] As such, under Chapter II – Membership, the following entities may submit their candidatures to the CPAG Management Board to become members: "Existing or future Specialized Agencies connected with the United Nations, wherever their headquarters; or "international, intergovernmental or non-governmental organizations or activities financed from trust funds

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[12] The organizations were the United Nations Office in Geneva (UNOG), the World Intellectual Property Organization (WIPO), the World Meteorological Organization (WMO), the World Health Organization (WHO), the International Labour Organization (ILO), the International Trade Centre (ITC), the International Telecommunication Union (ITU), the United Nations High Commissioner for Refugees (UNHCR) and the World Trade Organization (WTO).

[13] IOG response to Inspectors' questionnaire.

[14] ECA is calculated using the following methodology: Least costly public fare available at the time of ticketing – Negotiated CPAG rate = ECA. Source: Minutes of the CPAG Management Board Regular Session 2008 (April 2009).

[15] Ibid., and does not include ECA for ILO, ITU and WTO as those organizations use other methodologies to calculate their ECA.

[16] Letter addressed to Chairman, JIU by Director of Administration, UNOG, in response to JIU confidential management letter dated 19 October 2009. The CPAG statutes were last updated in April 2005.

or special accounts, or any other Entity in the interest of CPAG, as approved by the Management Board, these bodies being hereinafter called "Associate Members". Unless otherwise specified in separate protocols as in article 5 of the Statutes, Associate Members are included under the general term "Member Organizations" in this document."[17] Currently, CPAG is comprised of 10 Member and one Associate Member Organizations.[18] The Inspectors are of the view that CPAG membership will increase, to the benefit of all, and as membership requires cost-sharing of the annual operating costs of the Group, its activities could and will expand.[19]

25. The current coordinator of the IOG Working Groups is the travel manager from WHO, assisted by the UNOG sub-unit travel chief.[20] The Inspectors note that these coordinating roles, which are carried out on a voluntary basis, are very time-consuming and performed in addition to normal duties and responsibilities. With regard to the ECA volume, IOG member organizations could allocate funds for two positions, i.e., one as Coordinator for Joint Airline Negotiations and Travel Agency/Visa Processing Services and the other to provide administrative support, thereby ensuring neutrality/impartiality and better services as internal resources are freed from time-consuming and complex travel management tasks.

26. The full-time IOG Coordinator could provide some of the deliverables of airline management, as listed below:

Table 2
Proposed responsibilities for IOG Coordinator

Airline strategy development and sourcing management	Airline strategy definition	Develop strategy and communicate to IOG
	Airline negotiations	Source and award contracts
	Airline contract communication	Communicate details of new contracts to IOG member Organizations
	Airline contract management	Ongoing management of contracts and supplier management on a quarterly basis
	Airline programme optimization	Examine contract, compliance, performance against goals, savings, risks, traveller behaviour and industry for specific categories, identify leakage and act to optimize savings
Travel Agency and Visa Services Processing	Oversight and control	Monitoring the activities of the IOG-designated travel agency on a regular basis and ensuring compliance on CPAG's behalf

[17] Article 4 of the CPAG Statutes (22 April 2005).
[18] These include the International Bureau of Education (IBE), ILO, ITC, ITU, UNHCR, UNOG, WHO, WMO, WIPO, WTO and the International Organization of Migration (IOM), being the Associate Member as listed in Annex I of the CPAG Statutes.
[19] "Every year, each Member Organization shall pay to the Financial Resources Management Section of the United Nations Office at Geneva its share of the annual operating costs of the Common Procurement Activities Group, in accordance with the proportions fixed by the Management Board. These costs shall normally comprise expenditures on personal wages and salaries and administrative costs." Article 17 of the CPAG Statutes.
[20] The ITU travel manager joins the IOG coordinators only for joint airline negotiations as she has previous travel agency managerial experience.

27. The following recommendation will improve the efficiency and effectiveness of the IOG Working Groups.

Recommendation 2

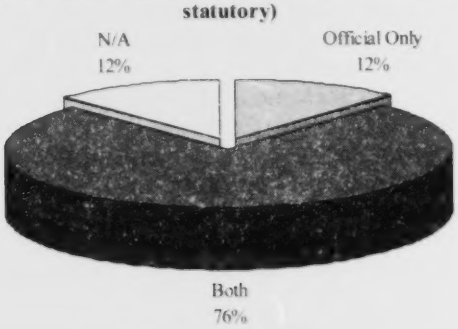
The executive heads of the IOG Member Organizations should consider the creation and financing of two positions for the Working Groups on Joint Airline Negotiations and Travel Agency/Visa Processing Services through ECA savings in order to improve service quality and efficiency.

28. The Inspectors are aware that other United Nations duty stations have adopted or are in the process of adopting similar travel arrangements, although not on the IOG scale. One such example is the United Nations office in Bonn, which shared its experiences and stated that administrative services (including costs) for travel arrangements for its 17 members[21] are governed by an inter-agency memorandum of understanding. Travel-related issues are discussed regularly by the Committee for Common Operations Management (CCOM) which reports to the Heads of Agencies.

III. INTRA-ORGANIZATIONAL COORDINATION

29. Travel arrangements at the organizational level are usually coordinated by a dedicated travel unit. Some organizations do not have a travel unit *per se*, and rely on the services of a travel management company (TMC). This approach is acceptable for organizations with small travel budgets, or where travel is primarily for simple, selected routes, where the resources dedicated for a travel coordinator cannot be justified. A distinction must also be made between official and statutory travel. For some organizations, as shown in figure 1 below, statutory travel is coordinated by the HR section, as the former concerns staff member entitlements and benefits and the latter is the authority on such issues. Nevertheless, the Inspectors were advised that the respective HR sections work closely with the travel units, especially in cases where the lump-sum options are invoked.

Figure 1
Type of travel handled by Travel Unit (official and statutory)

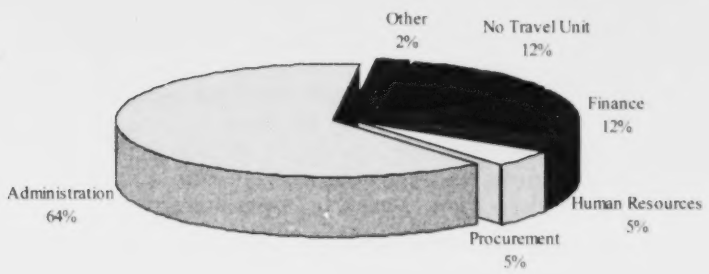


Note: Percentage calculated over 41 organizations

[21] Total volume of air tickets purchased in 2008: € 7.28 million (US$ 10.3 million). Source: Response to Inspectors' questionnaire.

30. The responses to the Inspectors' questionnaire (see figure 2 below) show that travel comes under the aegis of various sections. This reflects the inter-disciplinary nature of travel administration. While travel usually comes under administration (including where there is no separate travel section), the reasons for their positioning in other sections are logical: finance (as it involves expenditure and requires monitoring), HR (staff member entitlements) and procurement (obtaining travel services). While the Inspectors believe that the primary role of the travel unit is to act as a facilitator and provide customer services, organizations also appreciate its role in organizational budget and planning.

Figure 2
Placement of Travel Unit within the Organization's stucture



Note: Percentage calculated over 41 organizations

31. The Inspectors reviewed the structures of the respective organizational travel units. As the quantum of travel expenditures has a direct bearing on the number of staff employed for travel services, it is not appropriate to make system-wide comparisons. However, the Inspectors note that in the majority of the units reviewed, the staff member responsible for the operational aspects of travel and/or held accountable for the management of travel services is at the middle to lower management level. **Due recognition, respect, motivation and incentives (non-financial) should be given to these individuals, and if duly accorded, will be reflected through improved travel management services and staff productivity.**

32. Most organizations surveyed do not provide specific incentives for travel unit staff to achieve cost savings/administrative efficiencies, whereas IAEA, ITU, ICAO Travel Units have been given official recognition by their respective organizations[22] and UNIDO stated that most travel staff had either received merit awards, merit promotions or higher post reclassifications.

A. Role of Enterprise Resource Planning (ERP) Systems and Information Technology (IT) in travel arrangements

33. While most organizations use complex ERP systems to manage travel arrangements, some organizations continue to use basic information technology (IT) applications. Figure 3 below shows the type of ERP systems/IT applications used to process travel arrangements.[23]

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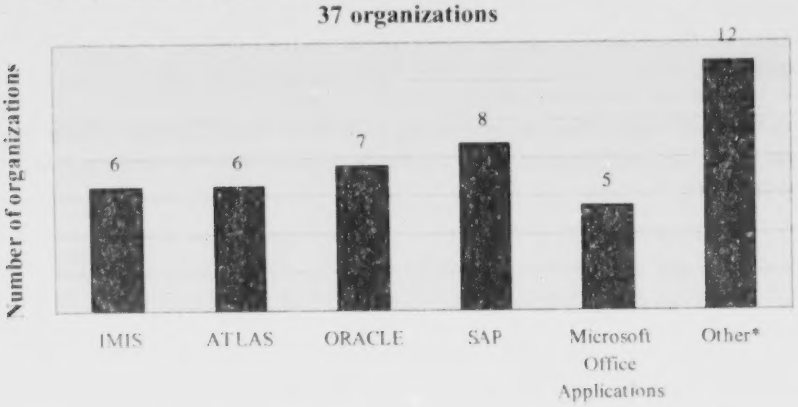
[22] IAEA Travel Unit received a Team Merit Award for Outstanding Teamwork in 2008, ICAO received a Team Cash Award and ITU was rewarded with a Team Recognition Certificate in 2004.
[23] Based on responses to the Inspectors' questionnaire.

Figure 3
ERP systems/IT applications used to manage travel arrangements in 37 organizations



* "Other" includes Infopath, intranet-based self-developed tools, Metastorm Business Process Management e-work (automation of paper workflow), Amadeus and Lotus Notes workflow

34. While 18 organizations using ERP systems have implemented customized travel modules, two organizations use the generic applications for reasons of cost. The Inspectors also note with concern that 10 organizations had conducted their most recent reviews of their ERP systems prior to 2000. The Inspectors are of the view that in order to reduce fragmentation, avoid errors, redundancy and deliver results efficiently, organizations should explore all available options to revise and upgrade their systems.

35. While some organizations have developed modules that support paperless workflow and electronic signature, for many, hard copies are required. ERP system/IT tools allow for the capture/presentation of relevant statistical travel-related indicators. These include, inter alia, showing for a reporting period, the (a) total number of tickets issued; (b) costs of tickets issued, (c) costs of daily subsistence allowances and terminal expenses; (d) type of travel (official/statutory and either staff/consultant/participants, etc); (e) travel per division in the organization and (f) travel per staff member. The Inspectors envisage that over time, organizations will switch to a paperless workflow and make better use of statistical indicators available to them in order to measure performance and evaluation of the use of resources.

36. Most organizations confirmed that their respective travel units were involved in the design, development, implementation and customization of travel modules in the ERP systems, and played a key role in defining process, business requirements, functionalities, assisting in technical evaluations, approval and testing. Nevertheless some travel units had no or minimal participation in these. To ensure that the implemented system/application meets all travel service-related needs and requirements, the Inspectors hope that **travel units are fully involved** in the entire process and participate in system upgrades and customizations.

37. Training on the use of travel modules in ERP systems has been given due priority by most organizations. This is conducted through regular training courses, e-learning tools or individual training when requested. The Inspectors encourage organizations to diversify their training methods and make them available on their respective intranets.

38. The Inspectors also asked organizations whether, in the travel authorization workflow, staff members had to indicate whether travel could have been replaced by other communication methods, such as tele/video conferencing or online meeting rooms. Only eight out of 36 organizations did this. **The Inspectors are of the view that tele/video conferences should be used more widely.**

39. The following recommendation will result in enhanced efficiency for the organization.

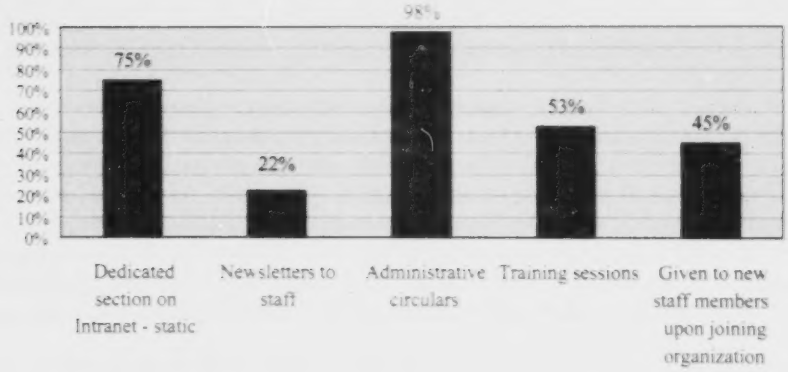
Recommendation 3

The executive heads of United Nations system organizations should ensure, where this has not already been done, the exploitation of all available options to revise and upgrade their ERP system travel modules.

B. Dissemination of travel policies

40. Organizations were requested to indicate the manner in which travel policies and procedures are conveyed to staff (see figure 4 below):

Figure 4
Manner in which travel news/policies/procedures are disseminated to staff/programme managers in 40 organizations



Additional methods cited included Inter- and Field-Office memoranda, Staff Administration Management Instructions, Recruitment and Reassignment Brochures (UNHCR) and individual briefings (UPU). The Inspectors are aware that not all staff in a particular organization undertake official travel; nevertheless organizations should adopt more than one, if not all, of the methods listed above for disseminating information on travel policies. For efficient travel management, it is essential that all staff members are well informed of their rights and responsibilities.

41. The following recommendation is expected to enhance efficiency within the organization.

Recommendation 4

The executive heads at United Nations system organizations should ensure that information on travel policies (including entitlements and procedures) is updated and made easily available to staff.

C. Procurement of travel services[24]

42. Travel expenditure increases year on year. A number of organizations spend substantial amounts on travel, sparking the possibility of creating an internal travel agency. Despite arguments against this, such as "it is not our core business", some organizations have taken relevant steps. For report purposes, the Inspectors will set out two examples, those of the International Monetary Fund (IMF) and International Organization of Migration (IOM).

IMF model

43. The organization requested and concluded an agreement with the Airline Reporting Corporation (ARC),[25] after clearing some administrative hurdles, thereby permitting it to purchase tickets directly in its own name. IMF thus receives (as it has registered its own travel agency) the commissions and overrides directly from the airlines. The organization also directly negotiates with airlines for preferential fares, through leverage of its purchasing power and selects a limited number that best service its needs.

44. IMF has outsourced its travel agency requirements to an agency through a tender process as it does not wish to employ staff directly on its payroll to manage these processes.

45. Strict compliance with existing travel rules and procedures is a *sine qua non* condition for the success of the IMF model. Indeed, the Inspectors were advised that, in the case of personal travel (only permitted in conjunction with official travel), where the traveller pays the fare difference, rebates earned on the personal segment are used to cover agency costs and not deducted from the airfare amount charged to the staff.

46. This model has generated substantial income for the organization. Moreover, the IMF Travel Unit is self-financed.

47. As IMF was able to conclude the agreement with ARC, the Inspectors are of the view that other United States-based international organizations with a similar travel volume, either individually or jointly, should consider adopting this model.

IOM model

48. The current Billing and Settlement Plan (BSP)[26] prevents organizations from registering their own travel agencies and adopting the IMF model. Nevertheless, avoiding the use of third parties such as travel agencies is possible by purchasing directly from airlines. Though rarely used on a large scale, one organization, IOM, has succeeded in establishing this operational structure.

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[24] There are different models for procurement of travel services within the common United Nations system. No one model is strictly applicable to all United Nations organizations, given the complexities of travel arrangements. The models listed are specific to individual organizations and it follows that these are somewhat customized towards the respective travel patterns and travel policies of individual organizations. It should also be noted that as technologies relating to travel management continue to evolve, as is the case with the Enterprise Resource Planning (ERP) and online booking tools, competition among vendors in the travel industry will also continue to increase options for efficiencies. The rate of success in employing these models varies, due to the complexities of system-wide travel.

[25] ARC, a company wholly owned by member airlines, was established with the sole purpose of controlling, regulating and administering travel agency sales of its product, thereby ensuring that all ticket sales are correctly reported and paid for by such agencies in the United States.

[26] BSP is a system designed to facilitate and simplify the selling, reporting and remitting procedures of IATA Accredited Passenger Sales Agents, as well as improve financial and cash flow for BSP Airlines. By end 2008, there were 88 BSPs, covering 160 countries and territories serving 400 airlines, while gross sales processed amounted to US$ 239 billion. The system is accessible only to airlines, IATA accredited agents, General Sales Agents (GSAs) and Airport Handling Agents (AHAs) (www.iata.org/ps/financial_services/bsp/index.htm).

49. Movement of people is a core function of IOM and as such there is a special division in charge of airline negotiations, policy and procedure setting and quality control. Travel administration is decentralized with approximately 200 staff worldwide focusing on movements. Procedures and operational tools are web-based, accessible to all operational staff and include the Operations Manual (Movement Management Manual), Airline agreements (Handbook of International Tariffs) and Accounting (Integrated Global Ticket Order Record).

50. IOM offices are equipped with AMADEUS[27] terminals to allow immediate access to routings and fares. Ticket requests are directed to a centralized contact point. Upon receipt, all information relating to tickets (price, taxes, routing, mission ordering, etc) is entered into the IOM web-based Integrated Global Ticket Order, which is linked to the accounting system, thereby permitting instant payment by the Manila-based invoice settlement unit.

UNDP Travel Services (Country Offices)

51. United Nations system organizations have the possibility of using the UNDP broad network of country offices for procuring travel services, which include ticket requests (booking and purchase), processing visa requests, and making hotel reservations.

52. The Inspectors were informed that UNDP continually seeks to improve its services, including those related to travel. In July 2007, UNDP introduced progressive policies to improve the speed of settlement of agency services clearing accounts (SCAs). This initiative resulted in the resolution of 84 per cent of all disputes submitted to UNDP. UNDP currently services over 60 organizations via the SCA with a combined volume of Annual Income and Expenditures in excess of US$ 1 billion (FY 2007) and processed throughout over 140 UNDP country offices.[28]

53. UNDP is also researching market trends and practices in the commercial travel field and seeks to further improve its policies and practices in travel services administration in 2010. Furthermore, in recognition of the challenges of administering the SCA and recovering costs, UNDP will be commencing a review of the universal price list (UPL) system in 2010 to identify further options for efficiency improvements.

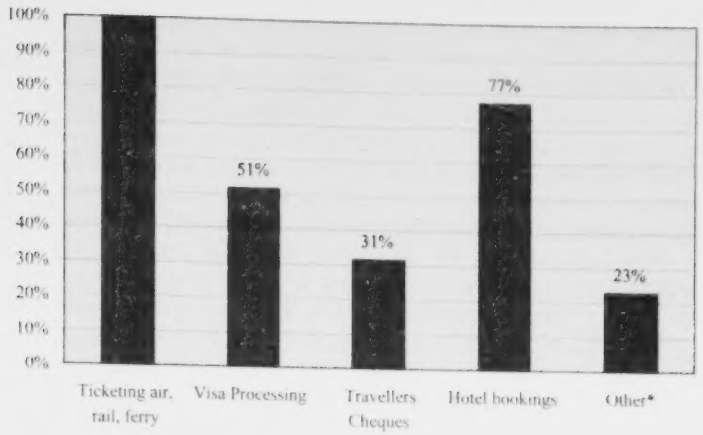
54. In light of the above, **the Inspectors are of the view that with the potential improvements in UNDP travel services and the UPL system**, eligible organizations will be among the beneficiaries that use such services.

Travel Management Companies (TMCs)

55. Most organizations surveyed use TMCs for procuring travel services. Those organizations that do not have internal travel units *per se* use the full range of TMC services, whereas some use their services under an "open book" or "management fee" structure. With advances in IT, some organizations use TMC self-booking tools (SBTs) for ticketing. The range of services provided and the location of the TMC has a direct bearing on the costs of such services. Figure 5 below illustrates the usage of TMC services.

[27] AMADEUS is a Global Distribution System (GDS) which permits the booking and purchase of travel services, including air and, train travel, car rental, hotels and cruise ships.
[28] UNDP – Agency Service Clearing Account (SCA) Handbook, 1 October 2009, p. 2.

Figure 5
Travel services provided in 35 organizations



* "Other" includes private travel tours, meetings and conference services, car rental, travel insurance and messenger services.

56. The Inspectors wish to point out that organizations use TMCs for other reasons, including the provision of management information reports on travel expenditures, cost savings, advance purchase analysis and carbon emission (CO_2) reporting and for advancing payment of airline tickets pending reimbursement. Use of these and other services usually results in direct or indirect costs to the organizations.

a. Open-Book/Management-Fee TMCs

57. The client organization and the TMC work together as partners with the aim of lowering transaction costs and travel expenses. The TMC shows the client the full view of earnings and costs incurred in processing all travel requests. The client reimburses the TMC for all costs which arise and the latter charges a profit margin on the total turnover.

58. An annual budget simulation is made, discussed and approved by both parties. The client may request quarterly or half-yearly budget reviews. Payments to the TMC are on either a monthly or per transaction basis.

59. The Inspectors believe that this is a win-win situation for both parties but client organizations must be provided with adequate resources to manage the TMC contract. In most cases, the TMC is an implant in the client organization and all office-related costs are borne by the latter. Furthermore, the salaries (including commissions and other benefits) of the TMC staff are usually lower than those of comparable client organization staff.

b. Transaction-based TMCs

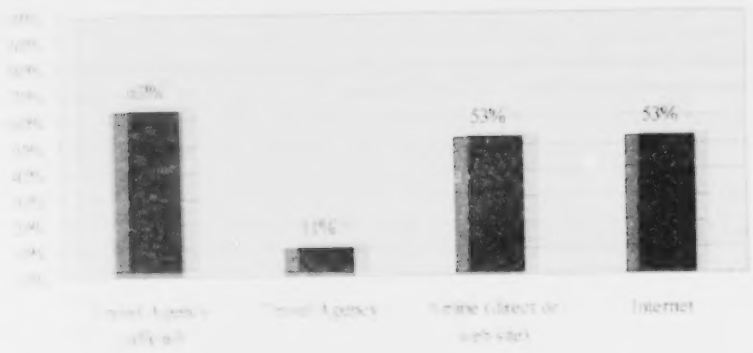
60. With the virtual elimination of commissions payable by airlines for tickets issued by travel agencies, the latter have resorted to imposing transaction or handling fees in order to recover their costs in providing services. This prevalent practice is perhaps the easiest to manage and permits transparency in terms of distributing costs among client organization departments, or client organizations where organizations have signed a collective agreement with a TMC.

61. The Inspectors note that such fees imposed by TMCs on their respective client organizations vary by location and, in some cases, within the same city. The overall fee is linked to the cost of individual/aggregate travel services provided. Hence the difficulty in conducting a comparative analysis. Needless to say, the higher the number of transactions per travel itinerary, i.e., booking, re-booking (issuance of new tickets) and possible refunds will result in "exaggerated" transaction costs and higher costs for the client organization. As such, **the Inspectors favour the "open-book" approach where costs are linked to turnover and thus manageable (within a specified budget).**

c. *TMC* Self-booking Tools (SBTs)

62. The plethora of commercial booking engines on the internet has facilitated the practice of purchasing travel services online. Such services can be usually purchased at lower cost and with no or minimal associated transaction cost. Familiarity in using such tools has resulted either in travellers using them for official travel and subsequently seeking reimbursement or using client-organization-approved SBTs.

Figure 6
Use of SBTs permitted/promoted by 19 organizations



63. Although only 11 out of 21 organizations surveyed permit the use of SBTs, the Inspectors note that the trend is towards the use of such tools and have been informed that some organizations will be implementing them in 2010 as SBT transactions costs are minimal and they work best for point-to-point travel. However, they are sometimes difficult to book for multiple-leg journeys. SBTs do not always indicate the best available rates and the client/traveller may not be familiar with all travel options. Furthermore, staff time could be better allocated to performing regular tasks and travel planning should be left to travel specialists.

64. Some organizations have travel staff who are trained travel specialists and thus, with the required access to the Global Distribution Systems (GDS) such as AMADEUS and SABRE, can make bookings for their travellers. However, as they do not possess the required science, they may request a TMC to issue tickets for a predetermined fee. The Organization for Economic Cooperation and Development (OECD), for example, uses its travel unit to book travel services for "VIPs," on the basis that these travellers usually have complex itineraries which may have to be changed at a moment's notice. **The Inspectors favour this practical approach as it provides a personalized service for travellers, with lower transaction costs.**

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[1] Includes the Secretary-General, Deputy Secretary-General, Directors and Chiefs of Mission.

IV. STAFF MEMBER TRAVELLERS

65. For report purposes, this section will focus only on staff member official travel, as opposed to statutory travel or travel by consultants, temporary advisors and meeting participants, etc., which is governed by their respective rules and procedures.

66. In most situations, a staff member travelling for official purposes may do so only after having submitted an approved travel authorization, signed by him/herself, his manager and in some instances, a certifying officer. Furthermore, the staff member has the obligation and responsibility to ensure that he/she is in the possession of a valid United Nations laissez-passer (UNLP),[30] has requested the required visas; medical clearance (where applicable) and requested and secured the required security clearances.

67. In most organizations, it is either the travel unit or TMC that facilitates the obtaining of visas for official travel; however the traveller is required to submit the completed (and accurate) documentation on time in order to comply with the host country's visa request formalities and procedures. In cases where the air/rail tickets are issued and no visa obtained, the procedure for recovering the penalties/cancellation fees/higher ticket costs varies according to the organization. Some simply do not issue tickets without the visa, thus avoiding the issue. Others cover the additional costs incurred and the rest recover them from the traveller. In practice, each case is reviewed on a case-by-case basis.

68. The United Nations Secretariat requires medical clearance for travel[31] in the following situations:

(i) When a staff member is to travel on official business or is assigned to a duty station classified by the International Civil Service Commission in categories A, B, C, D and E. Those duty stations are identified in the annual information circular entitled "Classification of duty stations and special entitlements for staff members serving at designated duty stations."

(ii) Validity of the medical clearance for travel purposes is normally two years. To maintain medical clearance for reassignment and/or travel, medical examination will be required every two years, irrespective of age.

69. The Inspectors note that some organizations do not have a formal policy requiring medical clearance for travel, and for some it is not a requirement. WIPO, on the other hand, incorporates medical clearance in its electronic travel authorization process (e-TA). If the staff member is not medically cleared, he/she cannot travel. The medical clearance is provided just after the Program Manager's approval. If the traveller is not medically cleared, the e-TA does not continue further and the Travel Unit and Program Manager are informed by an e-mail generated by the system. Thus, for WIPO and other organizations requiring medical clearance prior to travel, the onus is on the staff member to obtain this and to seek and act on information from the medical service on recommended health protection measures.

70. United Nations security policy requires that all staff members travelling to countries with a security phase in effect must obtain travel security clearance. This includes in-country clearance, where required (locations in a security phase) and they must undertake not to depart unless or until clearance has been granted or where security clearance is not required (no-phase locations). It also states that all staff members are required to notify Designated Officials of their arrival and departure times for travel even to countries with no security phase in effect. Staff members are required to obtain security clearance prior to undertaking official travel, and requests for clearance must be made a minimum of seven days before travel. These security clearance procedures apply not only to all personnel of the United Nations, its

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[30] The UNLP is the official travel document of the organizations of the United Nations system and some others, and is issued to all staff and officials travelling on United Nations-related business. (JIU/NOTE/2005/2).
[31] ST/AI/2005/12 of 8 November 2005, paragraphs 4.1 (c) and (d).

agencies, programmes and funds covered by the provisions of the Field Security Handbook,[32] but also to those personnel to whom the agencies are obligated to provide travel.[33]

71. A prerequisite to the granting of security clearance is the completion of the system-wide, self-administered learning programme "Basic Security in the field: staff safety, health and welfare".[34] Completion of the test is valid for three years, at which point staff members must retake and pass the test.[35] Staff members who are assigned to, are required to travel to, or are being reassigned to, a duty station that is in Phase 1 or above are also required to complete the "Advanced Security in the Field" course (launched in 2006 and endorsed by the CEB) every three years.

72. Some organizations surveyed do not issue tickets without security clearance, while others purchase but do not issue tickets to staff members until clearance has been given and some, in cases where the destination is prone to imposition of sudden security phases, purchase flexible tickets with few or no booking cancellation charges. According to the United Nations Department of Safety and Security (UNDSS), the risk of security clearance being denied is statistically low. In 2008, 286,056 security clearances were granted and 15,542 denied, equivalent to about 5 per cent. A review of a representational amount of denied cases indicate that the majority (99.6 per cent) were denied due to incomplete travel and related data, whereas only 0.39 per cent of cases were denied owing to the prevailing security situation.[36]

73. While air travel is one of the safest forms of transportation, it nonetheless poses a significant risk, given the number of flights taken by staff.[37] The Inspectors were informed of the existence of guidelines offering guidance to United Nations system organization managers, who approve duty and entitlement travel, and to staff on aspects of commercial passenger air travel, in order to minimize exposure of staff to unnecessary risks.[38] They require organizations, inter alia, to establish and maintain documented procedures for the categorization of commercial passenger airlines, establish single-flight staff number restrictions and procedures for the reporting of aviation risk management concerns.

74. The following recommendation will ensure control and compliance with travel rules and procedures.

Recommendation 5

The executive heads of United Nations system organizations should ensure inclusion in the travel arrangements workflow of provisions for the staff member to indicate, thereby assuming responsibility, that he/she has undertaken the required security training and requested security clearances, obtained medical clearance for travel when applicable, requested the required visas and possesses a valid UNLP, should such requirements not be in place.

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[32] Failure to comply with the Field Security Handbook policies and procedures could seriously endanger the lives of staff members and has implications for the liability of the organizations concerned.
[33] Field Security Handbook, 2006, Annex H, H.1.1.
[34] ST/SGB/2003/19 of 9 December 2003.
[35] Field Security Handbook, 2006, Annex H, H.2.1.
[36] Response to the Inspectors' questionnaire.
[37] Inter-Agency Security Management Network (IASMN) Commercial Passenger Air Travel Guidelines (May 2006).
[38] Ibid., para. 6.

V. COST-SAVING MEASURES

Effective travel planning

75. There is ample evidence to show that booking in advance results in significantly lower fares. An analysis of 33,000 transactions made by 46 companies on 13 routes in 2007 shows that the average ticket price rises by approximately 2 per cent for each day closer to the departure date. Depending on the class of travel and route (advance booking discounts are more significant for economy class than for business class) the average ticket price can be more than 50 per cent lower when booked at least 14 days in advance.[39] Organizations should therefore request that their TMCs provide such information regularly.

76. Most TMCs possess the tools to show potential cost savings missed as a result of not purchasing in advance. For report purposes, the Inspectors wish to highlight an example from a Geneva-based international organization below:[40]

> Travel policy indicates that travel requests should be cleared and tickets issued 8 working days prior to the travellers departure. However statistics show 80% of planned duty travel is currently being approved less than 8 days before departure. However it is estimated that the Organization could **save up to Swiss francs 4.5 million per year at Headquarters** if tickets are approved and issued at least 10 working days prior to departure.
>
> Effective 1 February 2009, travel requests should be approved and tickets issued more than 10 working days prior to departure. The difference between the fare paid and the best fare available for that route will be indicated on the travellers itinerary, showing the additional cost incurred through late planning. Booking conditions will be taken into account by the travel agent at the time of ticket issuance to minimize any cancellation fees. Travel requests issued less than 10 days prior to departure with the actual fare paid will be recorded for monitoring and reporting purposes.
>
> Quarterly reports will be provided by cluster. Aside from statistics on general travel patterns and trends, the reports will also provide the number of travel requests approved and issued less than 10 days before departure and the cost difference between the fare paid and the best fare available on the route taken.

77. The Inspectors note that with advance travel planning, it is possible to bundle missions together, i.e. cover several meetings or destinations in one trip and limit the number of staff going on the same mission or to the same meeting. It also goes without saying that advance travel planning facilitates the tasks of all those involved in the travel process. Staff are under less pressure and have the opportunity to source the most convenient and least expensive options for the traveller.

Joint airline negotiations

78. United Nations system organizations in other duty stations have also taken measures to negotiate preferential airfares for the benefit of all. These include organizations based in New York, Rome and Montreal as well as those in proactive UNDP country offices. This practice will not only result in ECA but also reductions or waivers in current and future fees charged for ancillary services provided by airlines.[41]

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[39] Carlson Wagon-Lit Travel (CWT) Travel Management Institute, 2007 in "Playing by the Rules: Optimizing Travel Policy and Compliance, CWT, 2008.

[40] Information Note 2/2009 on travel efficiencies.

[41] These include charges for extra luggage, seating and boarding preferences as well as in-flight meals and other facilities.

79. The following recommendation will result in enhanced coordination and cooperation and significant financial cost savings.

Recommendation 6

The executive heads of United Nations system organizations and other international organizations using a city as a gateway for travel should reach agreement to jointly negotiate for preferential airfares, should they not have done so.

Staff incentives

80. Four out of 41 organizations responding confirmed that incentives are available for staff to reduce travel costs. These include the granting of additional per diems for travelling economy class when entitled to business class seating[42] and compensatory leave for flying on weekends. One organization stated that it was not "a commercial entity" and as such no incentives are given. An opinion was expressed to the effect that if such incentives are not directly given to staff, accrued savings could be donated by staff members to specific programmes within their agencies, or to staff development programmes. The Inspectors are of the view that an incentives policy to encourage staff to reduce travel costs should be introduced in those United Nations system organizations where this has not yet been done.

Lump-sum travel options

81. The lump-sum option for travel consists of a cash payment made to travellers with which they can make their own travel arrangements. It was introduced in most United Nations system organizations for certain categories of travel entitlement at the end of the 1980s and the beginning of the 1990s, not without controversy at the outset. However, owing to its flexibility and unquestionable advantage in reducing administrative workload, the lump-sum approach is today widely accepted and has recently been extended within a number of organizations to almost all existing categories of travel.[43] Figure 7 below shows the availability of lump sums depending on the type of travel entitlement. However, it must be noted that the lump-sum system has been in place without revisions to the economic model. This is in contrast with the numerous changes that have taken place within the travel industry and throughout the United Nations system organizations.[44]

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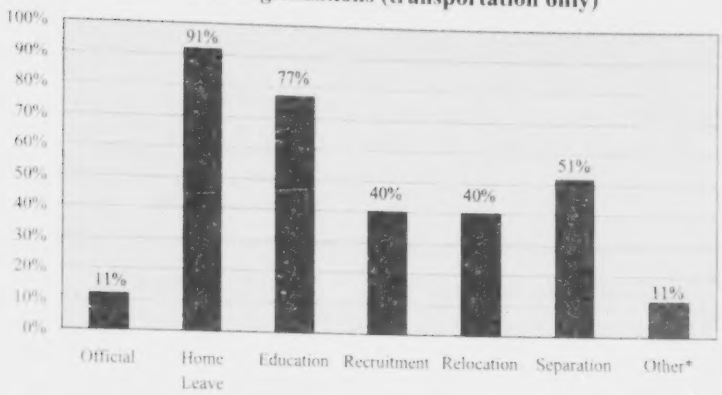
[42] However most organizational travel policies do not permit the transfer of cost savings to the traveller when the latter opts for a lower class of travel (thereby waiving his/her entitlement).

[43] JIU/REP/2004/10, para. 49.

[44] Statement by Mr. Tom Hanley, Chief, United Nations Transportation and Travel Section, New York at the 6th annual IATN meeting held in Washington DC, USA on 28 September 2009.

Figure 7
Availability of Lump Sum for types of travel entitlements in 35 organizations (transportation only)



*"Other" includes consultants (ILO), breastfeeding or single mothers with infants (UNDP) and family, reconnaissance and rest and recuperation travel (UNIDO)

82. The lump sum amount is calculated on a percentage basis (ranging from 50 to 80 per cent) of the IATA (International Air Transport Association) [45] full economy air ticket. As there is no system-wide harmonization of the calculation method used, this has resulted in staff members serving in different organizations at the same duty station travelling to the same place of home leave, with similar itineraries, receiving different lump sum amounts.

83. Furthermore, the latest IATA book rates are considerably lower than the previous rates and many lump sum amounts have fallen sharply. IATA has modified its tariff calculator. It now goes by the multilateral interline system, which provides interline fares to the world and is based on the average of individual carrier fares in the market. With the implementation of this new calculation method, if carriers publish lower fares for a market, the resulting IATA fares will be lower. These lower fares are less often available and the resulting price average will no longer be sufficient for the destination.

84. The Inspectors also note that no cost-benefit analysis of the implementation of the lump sum option has been undertaken. Indeed, this issue warrants a separate report on the subject and as such will be reviewed by JIU in 2010[46] as any modification will result in a change of the current rules and procedures that would require Member States' approval.

Specific measures taken to reduce travel expenditures

85. In view of the recent financial crisis, the Inspectors asked each organization whether specific measures had been introduced to reduce travel expenditures. Fewer than half of the organizations indicated that they had done so. Some examples are listed in the table below for reference. The Inspectors welcome these steps and hope that other organizations will take similar action.

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[45] "The International Air Transport Association (IATA) is an international industry trade group of airlines. IATA's stated mission is to represent, lead and serve the airline industry. One of its core functions is to act as a price-setting body for international airfares. IATA is pivotal in the worldwide accreditation of travel agents. Permission to sell airline tickets from the participating carriers is achieved through national member organizations. Over 80% of airlines' sales come from IATA accredited agents. IATA also publishes standards for use in the airline industry" (http://en.wikipedia.org/wiki/International_Air_Transport_Association).

[46] The topic is included in the JIU Programme of Work 2010.

Table 3
Specific measures taken to reduce travel expenditures

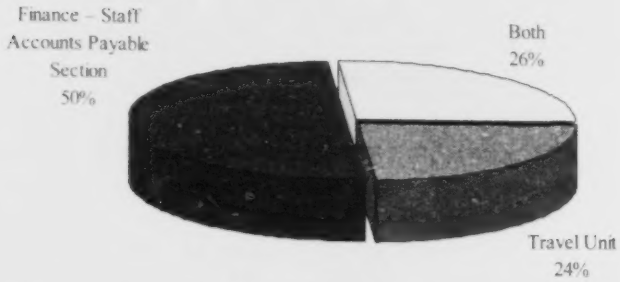
MEASURES	ORGANIZATION
• Reducing travel budgets	10% reduction (IMO, UNDP, UNFPA, UNESCO) 11% reduction (UNICEF) 25% reduction (UNAIDS) 30% reduction in the case of Managing Directors and Directors (UNIDO)
• Increased use of video conferences and travel forecasting tools	OHCHR[*], UNAIDS, JIU
• Reducing the number of days for conferences, flying in economy instead of business class	ITU, UNAIDS (maximum 5 days in one location), JIU (in select cases)
• No more than 2 staff members to travel per event, business class only from 5 hours' flight duration	WIPO
• Business class from 10 hours' duration	CTBTO
• No more choice of carrier, early travel request approval and no private arrangements on travel requests	WHO, UNAIDS
• Enhanced monitoring of travel patterns and exceptions to policy	FAO
• Reduce number of rest stops to only one day after 16 hours of travel time	ICAO
• Improved access to e-communications as a means to reduce travel	UNEP, UNWTO, UNOV, UNOG, UPU, UNCTAD, UNFPA, UNON, UNFCCC, CTBTO, ILO, FAO

[*] The Office of the High Commissioner for Human Rights (OHCHR) introduced the OHCHR Travel Forecast, through which staff members have to indicate the necessity (desirable, mandatory or essential) of a mission. Management can use this information to decide whether to decline or approve travel. It is also a tool for monitoring travel undertaken by staff and thus ensure, for example, no over-representation of OHCHR staff at an event.

VI. TRAVEL-CLAIMS PROCESSING

86. When asked which section processes the travel claim, the organizations responded as shown below in figure 8. It shows that the responsibility is shared equitably. In addition, the Inspectors were made aware that at least four organizations have off-shored[48] their travel claims processing away from headquarters; namely, FAO and UNHCR (Budapest), WFP (New Delhi) and WHO (Kuala Lumpur). According to the WFP Travel Manager, the feasibility study had taken place before the selection of the location had been made, and the actual decision, planning and implementation only took six months. The saving was considerable, around US$ 1.2 million.[49]

Figure 8
Unit/Section responsible for travel claim processing



Note: Percentage calculated over 38 organizations

87. The Inspectors refer to Recommendations 4 and 7 of the 2004 JIU Report on Travel concerning the self-certification and online processing of travel claims. The Inspectors are pleased to note that the trend is moving in that direction and prime examples include the WFP, IAEA and most recently United Nations Headquarters.

88. The Secretariat, after a pilot period, formally introduced the web-based Travel Claims Portal (TCP) in March 2009 for the processing of travel claims for New York-based staff members travelling on official business. The TCP will improve the overall process of submitting a claim, resulting in faster payments and provides the ability to track the progress of a claim and, if completed correctly, could lead to an approved claim in less than 24 hours. As TCP is based on the principle of self-certification, the responsibility for the accuracy and veracity of the information entered into the portal remains with the traveller.

89. Staff members may file travel claims in TCP in two ways: (1) Express Claim: to be used by staff members who travel as authorized and who are only claiming daily subsistence allowances (DSA) and terminal expenses or (2) Detailed Claim: used by staff members in cases where either a special hotel DSA is claimed; miscellaneous expenses claimed including portion of travel involving self ticketing (e.g. train travel within Europe); actual itinerary and/or travel dates deviate from those authorized; overnight rest stop entitlement exercised on one or both legs of the journey and annual leave taken in conjunction with official travel.

90. The Detailed Claim option allows users to attach scanned supporting documents, such as detailed hotel receipts accompanied by certification by a senior official in cases of special hotel DSA rates, and receipts of any miscellaneous expenses being claimed. While boarding passes and airline tickets are not required to

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[48] Off-shoring describes the relocation of business processes from one country to another. For a detailed analysis of experiences and lessons learned, see "Off-shoring in United Nations system organizations: offshore service centres" JIU/REP/2009/6.

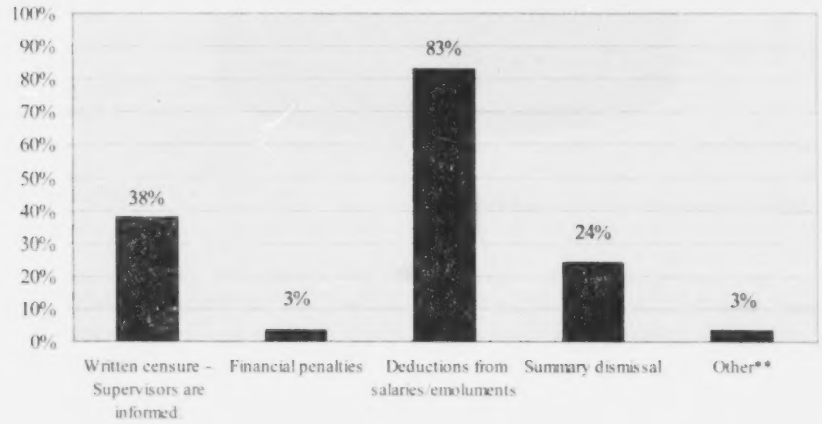
[49] Minutes – IATN IV, Rome, Italy 24-25 September 2007.

be submitted, staff members can attach scanned copies. In both instances, staff members must keep original documents for three years and are required to produce them for audit purposes.

91. Of the approximately 6,000 official travel claims submitted during the period January-November 2009, 2,400 claims were submitted through TCP. In due time, that percentage should increase.[50]

92. The Inspectors, while welcoming the implementation of TCP, presume that an adequate monitoring and auditing system is already in place to randomly check selected TCP claims. Furthermore, it is imperative that appropriate measures be adopted in the event of delays in submission or submission of fraudulent travel claims. While the latter scenario is rare, action taken must nevertheless be conveyed to all staff, thereby acting as a deterrent and the Inspectors note that FAO and the United Nations Secretariat refer to such cases in administrative circulars. Most organizations, on the other hand, deal with the staff member directly and confidentially. Figure 9 below illustrates the measures taken by organizations.

Figure 9
Measures taken by 29 organizations in case of late submission or fraudulent travel claims*



* Some organizations have adopted multiple measures.

** "Other" includes travel claims considered time-barred if received late.

93. The following recommendations will result in significant financial cost savings and ensure control and compliance with stated procedures.

Recommendation 7

The executive heads of United Nations system organizations should incorporate procedures accepting self-certification of the travel as authorized, for those travel claims for which no additional funds have been requested by the traveller.

[50] Statistics provided by the Office of Programme Planning, Budget and Accounts (OPPBA) Accounts Division, United Nations, New York.

Recommendation 8

The executive heads of United Nations system organizations should strengthen procedures, if this has not already been done, imposing severe penalties for cases of fraudulent travel claims.

Recommendation 9

The governing bodies of United Nations system organizations should request the executive heads to provide reports on travel expenditures by reporting period and steps taken to rationalize travel costs.

VII. MISCELLANEOUS TRAVEL ISSUES

Achieving climate neutrality – sustainable travel

94. The executive heads of United Nations agencies, funds and programmes at the 2007 CEB October session "committed" themselves to moving their organizations towards climate neutrality[51] in their headquarters and United Nations centres for their facility operations and travel.[52] Travel constitutes the major source of greenhouse gas (GHG) emission in most United Nations organizations, typically 50-60 per cent, but in some cases up to 90 per cent, of total emissions.[53] Thus travel is an important area for senior management to consider when minimizing GHG emissions.

95. In February 2008, the UNEP Division of Technology, Industry and Economics (DTIE), in liaison with the Environment Management Group (EMG) secretariat, established the Sustainable United Nations (SUN) facility with the aim of supporting the United Nations and other organizations to achieve climate neutrality and overall sustainability. To support the United Nations in minimizing the climate footprint of travel, SUN released a draft guide to Sustainable Travel[54] in the United Nations in September 2009, and a help desk was established to assist organizations to implement sustainable travel strategies. The Inspectors were informed of the cooperation extended by individual IATN members to SUN in the preparation of the draft guide and expects this to continue on an ongoing basis.

96. The Inspectors welcome the initiative of SUN in assisting organizations to achieve climate neutrality and take note of their draft guide which provides a number of references and approaches to sustainable travel and shows that reducing the climate footprint of travel can be achieved not only by decreasing the volume of travel, but also by choosing a different mode of travel (e.g. train instead of air), the planning of travel and the systems used to organize it.

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[51] The UN defines climate neutrality as "the entire set of policies that an institution uses when it estimates its known greenhouse gas emissions, takes measures to reduce them, and purchases carbon offsets to "neutralize" those emissions that remain, aiming at the highest standards possible." "Strategy for a climate-neutral UN, EMG/AM.07/05/Rev. 2, para 10.

[52] Annex II – Statement of the CEB "Moving towards a climate-neutral United Nations, CEB/2007/2.

[53] "Moving Towards A Climate Neutral UN: the UN system's footprint and efforts to reduce it" (UNEP, 2009), p. 15. It has been stated that data collection on GHG emissions resulting from air travel has been cumbersome. It is envisaged that organizations raise their commitment level and provide such data on a timely basis, ideally no later than the first quarter of the following year.

[54] SUN defines sustainable travel as "Travel where the associated environmental, social and economic impact is minimized, without negatively affecting the ability of the organization to deliver its mandate."

Frequent Flyer Miles

97. The majority of organizations do not have programmes for the recovery of frequent flyer miles (FFMs) for tickets purchased by them and stated that having such programmes for utilizing FFMs would be an expensive and cumbersome use of administrative resources. Although some airlines have instituted programmes whereby both the company and traveller accumulate FFMs,[55] the former would not qualify on corporate (negotiated) fares. Some organizations encourage staff members to voluntarily use their FFMs for future official travel, but this rarely occurs.

98. The Inspectors concur that the management of organizational FFMs is cumbersome and also not equitable (on what basis should rewards be distributed?) and policies/procedures would have to be adopted for their use. However, they refer to the innovative approach recently adopted by UNOPS to the use of FFMs, whereby staff members may offer to use their "personal miles" accumulated on airline FFM programmes towards the purchase of a ticket for official duty travel. Should this result in savings to UNOPS of at least US$350, the staff member will be reimbursed 50 per cent of the actual amount of savings to UNOPS.

Future prospects

99. Advances in the travel industry will have to be taken into consideration. The e-ticket, introduced only recently, apart from reducing costs and issuance of paper, has made travel easier. The implementation of pilot projects for the issuance of e-boarding passes will most likely gain widespread acceptance and use. This latter development will certainly facilitate the submission of documentary proof of travel and thus reduce processing costs.

100. The recent practice of airlines introducing ancillary fees, for services previously provided free, will also require organizations to modify travel entitlements, policies and procedures and to inform travellers as to which costs are eligible for reimbursement. Examples of such fees include, and are not limited to, extra charges for luggage (per piece basis), seat preferences and priority in boarding, meals and other in-flight amenities.

101. The implementation or upgrading of ERP systems will improve/streamline current travel arrangements workflows. The emphasis on the climate footprint of travel and the adoption of sustainable travel strategies will further necessitate modifications to existing travel entitlements, policies and procedures. Hence organizations, in consultation with the relevant departments/sections, have been updating their travel manuals on a regular basis. The Inspectors commend the reactivity of certain organizations in this respect, such as IAEA, IFAD, UNOPS, UPU and WFP.

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[55] Lufthansa, Swiss and Qatar Airways are some examples.

ANNEXES

ANNEX I

List of IATN Members in 2009

1. ADB
2. Commonwealth Secretariat
3. Council of Europe
4. CTBTO
5. EBRD
6. FAO
7. GAVI Alliance
8. IADB
9. IAEA
10. ICAO
11. ICC
12. ICTP
13. ICTR
14. ICTY
15. IFAD
16. ILO
17. IMF
18. IMO
19. INTERPOL
20. IOM
21. IPU
22. ITC
23. ITU
24. OECD
25. OHCHR
26. OPCW
27. OSCE
28. The Global Fund to Fight AIDS, Tuberculosis and Malaria
29. UNAIDS
30. UNBONN
31. UNCCD
32. UNDP
33. UNEP/DTIE
34. UNESCO
35. UNESCWA
36. UNFCCC
37. UNFPA
38. UNHCR
39. UNHQ
40. UNIDO
41. UNIIIC
42. UNODC/UNOV
43. UNOG
44. UNON
45. UNV
46. UNWTO
47. UPU
48. WFP
49. WHO
50. WIPO
51. WMO
52. World Bank

ANNEXES

ANNEX II

Overview of action to be taken by participating organizations on JIU recommendations
JIU/REP/2010/2

Report		Intended impact	United Nations, its funds and programmes												Specialized agencies and IAEA												
			United Nations*	UNCTAD	UNODC/UNOV	UNEP	UN-HABITAT	UNHCR	UNRWA	UNDP	UNFPA	UNICEF	WFP	(OTHERS)	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	UNWTO	IAEA
	For action		☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
	For information		☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Recommendation 1		b	E		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 2		g	E					E							E				E		E	E		E			
Recommendation 3		f	E		E	E	E		E	E		E	E	E	E		E		E	E	E	E		E		E	E
Recommendation 4		g	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 5		d	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 6		c				E	E		E		E			E			E	E		E			E			E	E
Recommendation 7		f	E		E	E	E	E	E	E	E	E	E	E	E	E	E	E		E	E	E	E	E	E	E	E	E
Recommendation 8		d	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 9		d	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L

Legend: **L**: Recommendation for decision by legislative organ
E: Recommendation for action by executive head
■: Recommendation does not require action by this organization

Intended impact: a: enhanced accountability **b:** dissemination of best practices **c:** enhanced coordination and cooperation **d:** enhanced controls and compliance
e: enhanced effectiveness **f:** significant financial savings **g:** enhanced efficiency **o:** other

* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-HABITAT, UNHCR and UNRWA